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SUBJECT: Ambassador Llorens Makes First Visit to Bay Islands

11. Summary: The Ambassador emphasized the positive cooperation between Honduras and the USG during his first visit to the Honduran Bay Islands on March 12-13. The Ambassador's wide-ranging schedule included participation in community and development assistance events related to a U.S. Navy ship visit, speaking at a tourism ministry seminar, meetings with local leaders, and a town hall meeting with American citizens. While the Ambassador's message of good cooperation with Honduras and progress on issues of joint concern was well-received, many island residents are focused on how security and infrastructure issues may impact on the islands' growing reputation as a tourist destination. End Summary.

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Cooperation on Security and Development  
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12. The Ambassador combined a ship visit, official meetings, and a U.S. citizen town hall during his first visit to the principal Honduran Bay Island of Roatan on March 12-13. During several public events the Ambassador conveyed USG support for democratic principles in Honduras, with emphasis on the positive aspects of the bilateral relationship. During a well-attended forum hosted by the Tourism Ministry, the Ambassador noted the growth of Honduras's economy under CAFTA-DR, and touched on how growth of the tourist economy on Roatan could be a model for other aspects of the Honduran economy. In his presentation, the Ambassador noted the great potential Honduras has as a tourism haven and praised the dramatic growth in the industry during the last decade with the Bay Islands leading the way. The Ambassador stressed the importance of creating an optimal investment climate for tourism. In this regard, he discussed the importance of ensuring full respect for property rights, an issue of great relevance in the Bay Islands because of the many property dispute cases affecting U.S. citizens that have purchased properties with questionable title. The Ambassador also raised the critical importance of safety and security for tourists coming to Honduras. The Ambassador warned that continued rise in crime rates and the growing presence of drug trafficking organizations were a direct threat to the expansion of the tourism industry.

13. The Ambassador's messages was well-received by the islanders, many of whom have U.S. citizen family members, or are familiar with the U.S. through the tourist trade or commercial shipping and fishing. Moreover, the Bay Islands received 430,000 cruise ship visitors last year, and expects an increase up to 700,000 by 2011 when a second cruise ship terminal is fully operational. The Tourism Minister estimates 90 percent of these cruise ship visitors are American.

14. The trip included a visit to the USS Samuel B. Roberts (FFG 58). The Ambassador, accompanied by Honduran Inspector General Carlos Antonio Cuellar, Honduran Deputy Chief of the Navy Ivis Uvaldo Moreno, Honduran Colonel Isaula, Mayor of Roatan Dale Jackson, Roatan Director of Education Juana Aguilar and an Embassy team visited the ship and then viewed a community relations project carried out by crewmembers at the Elfreda Brooks Elementary School. A total of \$8,985 SOUTHCOM Humanitarian Assistance Project funds were spent on the school for the construction and renovation of two classrooms, more than doubling the schools current size and

increasing the school's capacity to 140 students, as well as for school supplies. The ship's crew also participated in Theater Security and Cooperation Military to Military exercises on March 11, 2009. The visit received prominent media coverage in the Bay Islands and nationwide.

15. The Ambassador also met privately with the mayors, governor, and congress member for the Bay Islands. The discussion during this event ranged from security and narcotics trafficking to infrastructure development. The local officials noted their belief that the GOH pays less attention and devotes fewer resources to the islands because they are wealthier and safer than the mainland. In particular the group expressed a collective concern that crime was increasing while national police presence and enforcement was lacking. Further, all agreed that local infrastructure would need further development to support the increase in tourists. In particular, Roatan's mayor and the Bay Islands governor are interested in paving 11 kilometers of road on the north side of the island in order to relieve traffic congestion and the overuse of the current sole east west route, well as to increase areas available for development on the island.

16. On the positive side, the officials noted they were breaking ground on a 120 room hospital that would drastically improve medical services on the island. The officials also appeared to support the building of a small Honduran naval base on the island of Guanaja (funded with U.S. Defense Department money) that would be principally aimed at fighting narco-trafficking. The Mayor of Guanaja noted Guanaja's need for the jobs the naval base would bring.

17. The Ambassador and the officials discussed ways the Bay Islands could address these issues locally, noting that tourism revenue and local taxes may be sufficient to address certain Bay Islands' issues. The Ambassador also suggested bringing a Bay Islands contingent to Tegucigalpa to meet with public and private international organizations that may be interested in supporting projects in the Bay Islands. The Ambassador and the local officials agreed to meet again in several weeks in Tegucigalpa to further discuss their goals.

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Comment  
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18. Both the officials and the American Citizens the Ambassador met on the islands seemed very concerned about security issues, but also seemed to recognize that the situation in the Bay Islands is better than in most of Honduras. The islands' movers and shakers also appear to have a vested interest in improving security and infrastructure as nearly all have a stake in the tourism industry. The Ambassador's invitation to the leadership that they come to Tegucigalpa for meetings related to their security and infrastructure goals was well-received; we will plan to have it in May.  
End Comment.

LLORENS